GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:3290
ANSWERED ON:15.04.2008
EXPORT OF DIAMONDS
Mahato Shri Narahari

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the names of countries to which diamonds are exported alongwith its value during each of the last three years and in the current year, till date;

(b) whether the export of diamond has decreased during the above period;

(c) if so, the reasons therefor; and

(d) the measures being taken by the Government to boost the export of diamond?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(SHRI JAIRAM RAMESH)

(a) As per latest available data, the export figures for cut and polished diamonds to various Countries during April-March, 2005, April-March, 2006, April-March, 2007 and April-July, 2007 are given in the annexure.
(In US$ Million)

S.No.	Country Name	Export Value April -March 2005	April -March 2006	April -March 2007	April -July 2007
1.	Hong Kong	2604.83	3127.96	3165.91	1344.27
2.	USA	2455.40	2612.75	24.97.69	901.05
3.	Belgium	1214.49	1278.29	1251.22	518.42
4.	UAE	1429.46	988.92	1066.60	497.72
5.	Israel	675.86	749.67	817.14	296.31
6.	Japan	453.40	434.69	371.55	110.29
7.	Thailand	254.87	279.18	291.94	99.51
8.	Switzerland	133.03	113.70	92.82	44.38

9. Singapore 515.03 1199.75 111.96 35.81

10. Others 396.08 386.58 421.27 171.35

11. Total 10132.45 11171.49 10088.10 4019.11

Source: DGCI&S

(b) & (c) There was a decline in export of cut and polished diamonds during April-March 2007 over the corresponding period in 2006 owing to the reduction in trading activities in diamonds from Bonded Warehouses.

(d) Following measures have been taken by the Government to boost exports of cut and polished diamonds:−

(i) Export of gems and jewellery, which also includes cut and polished diamonds, has been identified as a thrust sector in the Foreign Trade Policy (2004-09).

(ii) The licencing regime for rough diamonds has been abolished and customs duty on import of rough diamond has been reduced to 0%.

(iii) Advance remittances without insisting on bank guarantee for import of rough diamonds has been permitted.

(iv) Duty Free import entitlement of consumables, tools, machinery and equipments for Gold and Platinum equal to 1% of FOB value of exports during the preceding financial year.

(v) Duty free import entitlement of gems & jewellery samples in a financial year upto Rs.300,000/- or 0.25% of the average of last three years export turnover of gems and jewellery items, whichever is lower has been allowed.

(vi) Cutting and polishing has been treated as manufacturing for the purposes of exemption under Section 10A of the Income Tax Act.

(vii) Gems & Jewellery exporters have been allowed to export cut and polished precious and semi-precious stones for treatment and re-import.

(viii) Import duty on cut and polished diamonds has been abolished.

(ix) Income Tax on turnover basis has been introduced for diamond units where profits declared are 6% or more of turnover.

(x) Maximum percentage of physical examination of cut & polished diamond export has been reduced to 10% from 25%

(xi) Number of documents required for exports of cut and polished diamonds has been reduced to 12 from 30

(xii) Liberal approach has been adopted in granting extension of the period of warehousing in bonded warehouse for diamonds.

Besides, the Government also extends financial assistance for various sales promotion activities undertaken in foreign markets.